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ANNUAL AUDITED REPORT FORM X-17A-5 PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNI	ING	AND ENDING	G <u>12/31/01 🔪 </u>	N. P.
	MM/DD/YY		MM/DĎ/	YY
			•	
A.	. REGISTRANT IDEN	TIFICATION		
NAME OF BROKER-DEALER:				
•	ity Station, Inc.		OFFICIAL U	SE ONLY
E.qu.	rey scacton, me.		FIRM ID	NO
ADDRESS OF PRINCIPAL PLACE OF	F BUSINESS: (Do not use	P.O. Box No.)		,
2101 W. Commerio	cal Blvd., Suite 350	00		
	(No. and Street)			
Ft. Lauderdale	FL		33309	
(City)	(State)		(Zip Code)	
NAME AND TELEPHONE NUMBER	OF DEDSON TO CONTA	CT IN DECADD TO 1	THIS DEDODT	
•				
Michael Coglian	ese	630-	<u>-351 -8942</u>	
			(Area Code — Telepho	ne No.)
В.	ACCOUNTANT IDE	NTIFICATION		
INDEPENDENT PUBLIC ACCOUNTA	ANT whose opinion is cont	ained in this Report*		
Michael Cogliane	ese, CPa., PC			
	(Name — if individual, state last,	first, middle name)		
One Tiffany Poin	ite, Suite G-12	Bloomingdale,	IL 60108	
(Address)	(City)	(State)		Zip Code)
CHECK ONE:				•
☑ Certified Public Accountant				
☐ Public Accountant				
☐ Accountant not resident in ?	United States or any of its	possessions.		
	FOR OFFICIAL US	E ONLY		

^{*}Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).



MICHAEL COGLIANESE CERTIFIED PUBLIC ACCOUNTANT, P.C.

INDEPENDENT AUDITOR'S REPORT

To Board Of Directors Equity Station, Inc.

We have audited the statement of financial condition of Equity Station, Inc. (a Florida corporation), as of December 31, 2001, and the related statements of income, retained earnings, changes in ownership equity, and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Equity Station, Inc. (a Florida corporation) at December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of the computation of net capital is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Michael Coglianese

Certified Public Accountant

Bloomingdale, Illinois February 12, 2002

OATH OR AFFIRMATION

I, swear (or affirm) that, to the
best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EquityStation, Inc.
December 31, 16x2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified soley as that of a customer, except as follows:
N/A
Signature
Financial & Operations Principal Tuke
COMMISSION MUMBER C C 8 0 0 4 0 2 MY COMMISSION EXPIRES JAN. 3,2003
This report** contains (check all applicable boxes): (a) Facing page. (b) Statement of Financial Condition.
 □ (c) Statement of Income (Loss). □ (d) Statement of Changes in Financial Condition. □ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital. □ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. □ (g) Computation of Net Capital
 (a) Computation of Net Capital (b) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3. (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
 \(\times \) (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation. \(\times \) (1) An Oath or Affirmation.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

ASSETS

			Allowable	Non-Allowable	Total
	Cash		16,049	-	16,049
<u>></u> .		vables from brokers	[0200]		(0750
••	or dea				
	A.	Clearance account	248,939		
			[0295]		248,939
	В.	Other	[0300]	[0550]	(0810
.		vables from non-		 	
	custo		[0355]	[0600]	0880)
l.	comn	nties and spot nodities owned, at et value:			
	A.	Exempted			
		securities	[0418]		
	В.	Debt securities	[0419]		
	C.	Options	[0420]		
	D.	Other securities	10.40.41		
			[0424]		
	E.	Spot commodities	[0430]		[085
5.	inves	inities and/or other streets not readily setable:	•		
	A.	At cost			
	-	[0130]	·		
	В.	At estimated fair			
		value	[0440]	[0610]	380]
6.		urities borrowed under ordination agreements	[0460]	[0630]	[088]
	and and	partners' individual capital securities	[5.00]	(*****)	,,,,
	A.	ounts, at market value: Exempted			
	7 (,	securities			
		[0150]			
	В.	Other securities			
		[0160]			·
7.		ured demand notes ket value of collateral:	[0470]	[0640]	30)
	A.	Exempted securities			

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[0170]

B. Other securities

[0180]

8. Memberships in exchanges:

9.

10.

11.12.

A. Owned, at market

[0190]

В.	Owned, at cost		[0650]	
C.	Contributed for use of the company, at market value		[0660]	[0900]
rece subs	stment in and ivables from affiliates, sidiaries and ociated partnerships	[0480]	[0670]	0 [0910]
equi impr unde at co depr	perty, furniture, pment, leasehold rovements and rights ar lease agreements, pst-net of accumulated reciation and	[0490]	[0680]	0 [0920]
Oth	er assets	[0535]	2,125 [0735]	2,125 [0930]
TO 1	TAL ACCETO	264, 988	2,125	267,113
10	TAL ASSETS	[0540]	[0740]	[0940]

LIABILITIES AND OWNERSHIP EQUITY

	Liabilities		A.I. Liabilities	Non-A.I. Liabilities	Total
13.	Bank I	oans payable	[1045]	[1255]	[1470]
14.	Payab dealer	ole to brokers or es:	()	()	(*•;
	A.	Clearance account	107,150 [1114]	[1315]	107,150 [1560]
	8.	Other	[1115]	[1305]	[1540]
15.	Payat	ole to non-customers	[1155]	[1355]	[1610]
16.		ities sold not yet ased, at market value		[1360]	<u> </u>
17.		ints payable, accrued ies, expenses and	<u>24,440</u> [1205]	[1385]	24,440 [1685]
18.	Notes payat	s and mortgages ble:			
	A.	Unsecured	[1210]		<u>0</u> [1690] 0
	В.	Secured	[1211]	[1390]	[1700]
19.		ities subordinated to s of general creditors:			
	A.	Cash borrowings:		[1400]	<u> </u>
		1. from outsiders	••	·	,
		[0970] 2. Includes equity subordination (15c3-1(d)) of			
	8.	[0980] Securities borrowings, at market value: from outsiders		[1410]	<u>0</u> [1720]
	C.	[0990] Pursuant to secured demand note collateral agreements: 1. from outsiders		[1420]	<u>0</u> [1730]
		[1000]			

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2. Includes equity subordination (15c3-1(d))

		[1010]			
	D.	Exchange memberships contributed for use of company, at market value	_	[1430]	0 [1740]
	E.	Accounts and other borrowings not qualified for net	-		. 0
		capital purposes	[1220]	[1440]	[1750]
20.			131,590	0	131,590
	TOT	AL LIABLITIES	[1230]	[1450]	[1760]

Ownership Equity

			Total
21.	Sole	proprietorship	[1770]
22. 23.	[1020])		[1780]
	Α.	Preferred stock	[1791]
	В.	Common stock	[1792]
	C.	Additional paid-in capital	415,000 [1793]
	D.	Retained earnings	<u>-279, 476</u> [1794]
	٤.	Total	135,524 [1795]
	F.	Less capital stock in treasury	[1796]
24.	тот	TAL OWNERSHIP EQUITY	135,524 [1800]
25.	TOTAL LIABILITIES AND OWNERSHIP EQUITY		. <u>267,114</u> [1810]

STATEMENT OF INCOME (LOSS)

	Period B	eginning <u>1</u>	/01/2001	Period Ending 12	/31/2001	Number of months	12
			[3932]		[3933]		(3931)
REV	ENUE						
1.	Comm	issions:					
	а.	Commiss exchange		ons in exchange listed	equity securities	executed on an	[3935]
	Ъ.	Commiss	sions on listed opt	ion transactions		_	[3938]
	C.	All other	securities commis	ssions			[3939]
	đ.	Total sec	curities commissio	ons		_	[3940]
2.	Gains	or losses	on firm securities	trading accounts			
	a . ,	From ma	arket making in op	otions on a national sec	curities exchange	e	[3945]
	b.	From all	other trading				[3949]
	c.	Total gai	in (loss)			-	[3950]
3.	Gains	or losses	on firm securities	investment accounts		-	[3952]
4.	Profit	(loss) from	n underwriting and	d selling groups		-	[3955]
5.	Reve	nue from s	sale of investment	company shares		-	[3970]
6.	Comi	modities re	evenue			-	[3990]
7.	Fees	for accour	nt supervision, inv	restment advisory and	administrative s	ervices -	[3975
8.	Othe	r revenue				-	643,532 [3995
9.	Total	revenue				-	[4030
EX	PENS	ES					
10.	Sala	ries and ot	ther employment of	costs for general partn	ers and voting st	tockholder officers	403,770 [4120
11.	Othe	r employe	e compensation a	and benefits			[4115
12.	Com	missions p	paid to other broke	er-dealers			44,698 [4140
13.	Inter	est expens	se				[407:
	a.		es interest on acco			[4070]	20,408
14.	Reg	ulatory fee	s and expenses				439,796 [419
15.	Oth	er expense	es				[410
16.	Tota	al expenses	s				908,672
NI S	ET INC						•

	No. 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	(265,140)
17.	Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)	[4210]
18.	Provision for Federal Income taxes (for parent only)	[4220]
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above	[4222]
	a. After Federal income taxes of [4238]	
20.	Extraordinary gains (losses)	[4224]
	a. After Federal income taxes of [4239]	
21.	Cumulative effect of changes in accounting principles	(265,140)
22.	Net income (loss) after Federal income taxes and extraordinary items	[4230]
	ITHLY INCOME	(51,457)
23.	Income (current monthly only) before provision for Federal income taxes and extraordinary items	[4211]

Γ_[4580]

EXEMPTIVE PROVISIONS

25.	If an exemption from Rule	15c3-3 is claimed,	identify	below t	he section	upon	which
	such exemption is based						

D. (k) (3)-Exempted by order of the Commission

A. (k)	(1)-Limited business (mutual funds and	1)-Limited business (mutual funds and/or variable annuities only)			
B. (k)	(2)(i)"Special Account for the Exclusive	2)(i)"Special Account for the Exclusive Benefit of customers" maintained			
C. (k)		(2)(ii)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)			
	Clearing Firm SEC#s	Name	Product Code		
	8- <u>526</u>	SPEAR, LEEDS & KELLOGG, L.P.	All [4335B]		
	[4335A]	[4335A2]			
	8		[4335D]		
	[4335C]	[4335C2]			
	8		[4335F]		
	[4335E]	[4335E2]			
	8		[4335H]		
	[4335G]	[4335G2]			
	8		[4335J]		
	[43351]	[433512]			

COMPUTATION OF NET CAPITAL

1.	Total	ownership equity from Statement of Fina	ncial Condition	135,524 (3480)
2.	Dedu	ct ownership equity not allowable for Net	Capital —————	[3460]
-	0000	over the contract of the contr		[3490]
3.	Total	ownership equity qualified for Net Capita		135,524
4.	Add:			[3500]
٦.	A.	Liabilities subordinated to claims of ge	eral creditors allowable in	0
		computation of net capital		[3520]
	8.	Other (deductions) or allowable credits	(List)	
		[3525A]	[35258]	
		[3525C]	[35250]	
		[3525E]	(3525F)	0 [3525]
5.	Total liabili	capital and allowable subordinated ties		135,524 [3530]
6.	Dedu	ctions and/or charges:		
	A.	Total nonallowable assets from	2,125	
		Statement of Financial Condition (Notes B and C)	[3540]	
	8.	Secured demand note deficiency	[3590]	
	C.	Commodity futures contracts and	Annual Control of the	
		spot commodities - proprietary capital charges	[3600]	
	D.	Other deductions and/or charges	[3610]	-2,125 [3620]
7.	Othe	r additions and/or credits (List)		
		[3630A]	[3630B]	
		[3630C]	[3630D]	0
		[3630E]	[3630F]	[3630]
8.		capital before haircuts on securities	· · ·	133,399 [3640]
9.		cuts on securities (computed, where icable, pursuant to 15c3-1(f)):		
	Α.	Contractual securities commitments	[3660]	
	8.	Subordinated securities		
	C.	borrowings Trading and investment securities:	[3670]	
	0.	Exempted securities		
			[3735]	
		2. Debt securities	[3733]	
		3. Options	[3730]	
		4. Other securities	(77.4)	
			[3734]	

	D.	Undue Concentration	[3650]	
	Ε.	Other (List)	, ,	
		[3736A]	[3736B]	
		[3736C]	[3736D]	
		[3736E]	[3736F]	
			<u>0</u> [3736]	<u>0</u> [3740]
).	Net Ca	apital		<u>133,399</u> [3750]
,		COMPUTATION OF BASIC	NET CARITAL REQUIREM	IFAIT
art A	^	COMPUTATION OF BASIC	NET CAPITAL REQUIREN	IENI
art <i>i</i> 1.		um net capital required (6-2/3% of line 19)		8,772
			raling of deal of	[3756]
2.	and m	um dollar net capital requirement of reporting be tinimum net capital requirement of subsidiaries of dance with Note(A)		100,000 (3758)
3.	Net ca	apital requirement (greater of line 11 or 12)		100,000 [3760]
4.	Excess net capital (line 10 less 13)			33,399 (3770)
15.	Exces	ss net capital at 1000% (line 10 less 10% of line	19)	120,240 [3780]
		COMPUTATION OF AG	GREGATE INDEBTEDNES	SS
16.		A.I. liabilities from Statement of icial Condition		131,590
17.	Add:			(*****
	Α.	Drafts for immediate credit	[3800]	
	8.	Market value of securities borrowed for which no equivalent value is paid or credited	[3810]	
	C.	Other unrecorded amounts(List)		
		[3820A]	[38208]	
		[3820C]	[38200]	
		[3820E]	[3820F]	
			<u>0</u> [3820]	[383
19.	Tota	I aggregate indebtedness		131,59
20.		entage of aggregate indebtedness to		[384 4 %9
		capital (line 19 / line 10)		(385)

OTHER RATIOS

Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) 21.

SCHEDULED WITHDRAWALS

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual		Insider or Outsider	amount and/or Net	Withdrawal or Maturity Date (MMDDYYYY)	to
_ [4600]	[4601]	[4602]	[4603]	1460.41	[4605]
146401		[4002]	[4003]	[4604]	[4605]
_[4010]	[4611]	[4612]	[4613]	[4614]	[4615]
_ [4620]					_
	[4621]	[4622]	[4623]	[4624]	[4625]
_ [4630]					
	[4631]	[4632]	[4633]	[4634]	[4635]
_ [4640]	(4641)	[4642]	[4643]	[4644]	[4645]
[4650]	[-5-7]	[(+0+0)	()	[40.0]
_(1000) _		[4652]	[4653]	[4654]	[4655]
_ [4660]		. <u></u> -			_
	[4661]	[4662]	{4663}	[4664]	[4665]
_[4670] _			 		
	•	[4672]	[4673	[4674]	[4675]
_[4680] _	(4681)	[4682]	[4683	1 (4884)	[4685]
. 146001	[+001]	. [-002]	[-000] [-004]	[4000]
_ [-cac] _		[4692]	[4693	[4694]	[4695]
	·	TOTAL		-	
		\$			
			(4699	•	
			Omit Pennies		

Instructions Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

Withdrawal Code	Description
1	Equity Capital
2	Subordinated Liabilities
3	Accruals
4	15c3-1(c)(2)(iv) Liabilities

STATEMENT OF CHANGES

		STATEMENT OF CHANGES IN OWNERSHIP (SOLE PROPRIETORSHIP, PARTNERSHIP OR CO		
1.	Balar	nce, beginning of period		165,665
	A.			$(265,146)^{40}$
		Net income (loss)		235,000
	8.	Additions (includes non-conforming capital of	[4262])	[4260]
	C.	Deductions (includes non-conforming capital of	[4272])	[4270]
2.	Balai	nce, end of period (From item 1800)		135,525
		STATEMENT OF CHANGES IN LIABILITIES SUB TO CLAIMS OF GENERAL CREDITOR		-0-
3.	Bala	nce, beginning of period		[4300]
	A.	Increases		[4310]
	В.	Decreases		[4320]
4.	Bala	ince, end of period (From item 3520)		<u> </u>

EQUITYSTATION STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2001

INCREASE (DECREASE) IN CASH:

Cash flows from operating activities:

Net income (loss)	(265,140)
Adjustments to reconcile net income to net cash provided by operating activities	
CHANGES IN: Current Assets	-
Receivables from Broker/Dealers Receivables from non-customers	(248,939)
Other Securities	-
Other Assets	(2,125)
Liabilities	131,590
Rounding Difference .	(2)
Net cash provided by operating activities	(384,616)
Cash flows from financing activities:	
Cash Additions/Withdrawals, Dividends, and Adjustments	235,000
Net Increase in cash	(149,616)
Cash beginning of period	165,665
Cash at end of period	16,049

EQUITY STATION, INC.

(A Florida Corporation)
December 31, 2001

NOTES TO THE FINANCIAL STATEMENTS

1. Organization:

Equity Station, Inc. (Company) was incorporated in the State of Florida on July 22, 1999. On April 7, 2000 the Company became registered with the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers.

The Company operations as a fully disclosed Broker/Dealer.

2. Net Capital Requirements:

The Company is subject to the SEC "Net Capital Rule" (Rule 15c3-1 of the Securities and Exchange Act of 1934). At December 31, 2001, the Company had net capital in excess of the required minimum.

3. Organizational Cost:

Organizational cost will be amortized on the straight-line method over sixty-month period.

4. <u>Income Taxes</u>:

The Company has accrued for its tax liability as of December 31, 2001.

5. Significant Accounting Policies:

In 1990, the Financial Accounting Standards Board adopted Statement Number 105 "Disclosure of Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk" which requires disclosure of information concerning financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.

The Company is subject to market risk associated with the changes in the value of the underlying financial instruments as well as the loss of appreciation and risk that a counter party will fail to perform.

EQUITY STATION, INC.

RECONCILIATION BETWEEN THE AUDITED AND UNAUDITED STATEMENT OF NET CAPITAL COMPUTATION FOR DECEMBER 31, 2001

We have performed reconciliation between the audited and the unaudited statement of net capital computation noting the following adjustments:

NONE

MICHAEL COGLIANESE CERTIFIED PUBLIC ACCOUNTANT, P.C.

Independent Auditor's Report on Internal Accounting Control Required by SEC Rule 17a-5

To the Board of Directors Equity Station, Inc.

We have examined the financial statements of Equity Station, Inc. for the year ended December 31, 2001 and have issued our report thereon dated February 12, 2002. As part of our examination, we made a study and evaluation of the Company's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a3(a)(11) and the procedures of Rule 15c3-3. We did not review the practices and procedures followed by the Company (i) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or (ii) in complying with the requirements for prompt payment for securities of Section 4(c) of regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. The objectives of a system and the practices and procedures are to provide management with reasonable, but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do no express an opinion on the system of internal accounting control of Equity Station, Inc. taken as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do no accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and self-regulatory organizations and should not be used for any other purpose.

Michael Coglianese

Certified Public Accountant

Bloomingdale, Illinois February 12, 2002